

A College Student's Guide To Insurance

You're starting college and leaving home for the first time. One of the many things you have to think about – believe it or not – is insurance. Insurance will protect you from financial loss.

QUESTIONS TO THINK ABOUT:

- There is a fire in your dorm room or off-campus apartment that destroys everything you own. Who pays for replacement of your property?**
- You wake up with a severe pain in your stomach. Will your health insurance pay for the trip to the ER?**
- You are deciding whether to take your car to school or leave it home. How will your decision affect your parents' insurance premiums?**

RENTER'S INSURANCE

You will need coverage similar to homeowners insurance to replace your “stuff” if it is stolen, burned up, or carried off by a tornado. Insurance will also pay living expenses if you can't live in your apartment while it is being repaired. And insurance provides liability coverage if, for example, a guest is injured. The kind of coverage you need depends on where you live (on campus / off campus).

If you live in a dormitory, you may be covered by the “off premises provision” of your family's homeowner's policy. (Parents

should contact their insurance agent to see if an update of their policy is needed.)

If you live in an off-campus apartment or house, you will not be covered under the “off premises provision” of your parents’ policy. NOTE: The landlord’s insurance only covers the building, not your possessions.

There are two ways you can go if you live off campus:

- 1) Get an “off premises rider” added to your parents’ policy;
or
- 2) Purchase “renter’s insurance.”

DECIDING ON AMOUNT OF COVERAGE

When deciding how much coverage to buy, there are a couple of terms you need to know: *actual cash value* and *replacement costs*.

Let’s say your CD player is stolen. *Actual cash value* would give you what a used CD player is worth. *Replacement cost* would give you the amount it takes to buy a new CD player of the same kind and quality without depreciation. NOTE: You may have to purchase a rider to extend your coverage to include expensive items like jewelry or electronic equipment.

ARE YOU STILL COVERED BY YOUR PARENTS’ HEALTH INSURANCE POLICY?

Check with your family’s health insurance company to see if you are still covered by your parent’s policy. Ask about the “*age cut-off*.” (Generally, unmarried children are covered to age 19 whether they are in school or not. Coverage can extend to age 25 if the child is a full-time student (taking at least 12 hours or more credit hours) in college or another educational institution.)

If you will be going to school in an area *out of the network* of your managed health care providers, call your insurance company’s customer service number and ask what provisions are in your policy. Most have some method of covering *emergency care* while you are out of network. A guideline would be – to go to the emergency room if you believe you need immediate attention to avoid endangering your life and health (or that of an unborn child). Severe pain and/or

heavy bleeding are among the symptoms that indicate a trip to the ER is warranted.

Other health insurance options:

- student health insurance (offered through school);
- group health insurance (offered through an employer);
- individual insurance coverage.

AUTO INSURANCE

There are several aspects to consider.

Vehicle Ownership: If the parent owns the vehicle and the child is listed as an additional driver, generally this can continue. If the child is the owner, he/she will have to get an individual auto policy.

Change Of Location: Even if you leave the state to attend college, home is still your permanent address as long as you are a student. The insurance company must be notified that the car will be garaged at another location.

Premium Costs: The choices you make are a factor in how high your premiums will be. Auto insurance can cover:

- **LIABILITY** for others' injury and property damage;
- **MEDICAL** for treatment of injury to you or your passengers;
- **COLLISION** for damage to your car during a wreck;
- **COMPREHENSIVE** for damage from other causes including theft, natural disasters, or vandalism;
- **UNINSURED MOTORISTS** for treatment of your injuries if you have a wreck with an uninsured motorist.

Delaware law requires that you must carry at least:

\$15,000/\$30,000 – Bodily Injury Protection

\$10,000 – Property Damage

\$15,000/\$30,000 – Personal Injury Protection (PIP)

PERSONAL CHOICES THAT CAN HELP LOWER YOUR AUTO INSURANCE PREMIUMS (CHECK WITH YOUR AGENT)

- Keep your grades up and earn a “good student” discount;
- Take driver's education;
- Maintain a “clean” driving record – no wrecks, no tickets;

- Buckle your seatbelt;
- Don't drive drunk, drugged, or sleepy;
- Don't let anyone drive your car unless he/she is covered by insurance;
- Don't tempt a thief: park in well-lit, high traffic areas; hide valuables; roll up your windows and lock your car;
- Install an anti-theft device.

INSURANCE COVERAGE WHEN TRAVELING OUT OF THE UNITED STATES?

You should check with your insurance agent about coverage while traveling in foreign countries.

The Insurance Department is here to help consumers with their insurance needs. There is a wealth of information regarding the resources available by the Delaware Insurance Department. These resources are available either in print or via the Department's website. I encourage Delaware consumers to take advantage of these educational tools.

ANY QUESTIONS? CONTACT US AT:

Delaware Insurance Department
841 Silver Lake Boulevard
Dover, Delaware 19904
(302) 739-4251

www.state.de.us/inscom

CONSUMER HOTLINE	1-800-282-8611
FRAUD PREVENTION	1-800-632-5154
ELDERinfo	1-800-336-9500
PRODUCER LICENSING	1-302-739-4254